

**RECOMMENDED SALARY AND
CLASSIFICATION LEVELS FOR
EXECUTIVE AND JUDICIAL OFFICIALS**

**2006 Report of the
Executive and Judicial Compensation Commission
of the State of Utah**

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Table of Contents

Letter of Transmittal to the Utah Legislature	iii
Executive Summary	v
Commission Responsibility	v
Salary Recommendations for Elected Officials; Proposal for New Methodology	v
Range Recommendations for Appointed Officials	v
Salary Recommendations for Judicial Positions	vi
Commission was Created in 1969	vii
Six Member Commission	vii
Commission Activities in 2006	1
Role of the Commission	1
Commission Recommends Salaries for Elected Officials and Judges, Ranges for Appointed Officials	1
Commission Reports to Executive Appropriations Committee	1
Commission Consults with the Judicial Council on Judges' Salaries	2
Salary Survey Conducted Annually	2
Recommendations for Elected Officials	3
Elected Officials, Salaries, and "Emoluments"	3
Proposed New Methodology to Determine Salary Levels	4
Recommendations in Light of Current Economic Climate	4
Governor's Salary	5
Lieutenant Governor's Salary Recommended at Current Level	5
Attorney General's Salary Recommended at Current Level	5
State Auditor's Salary Recommended at 95 Percent of the Governor's Salary	5
State Treasurer's Salary Recommended at 95 Percent of the Governor's Salary	5
Summary of Elected Official Recommendations	6
No change in benefits recommended	6
Cost of Recommendation \$41,000	6
Recommendation History for Elected Officials	6
Governor	7
Lieutenant Governor	8
Attorney General	9
State Auditor	10
State Treasurer	11
Recommendations for Appointed Officials	13
Recommendations for Appointed Officials Submitted to Legislature and Human Resource Management	13
Five Level Executive Compensation Plan Adopted in 1990	13
Proposal of New Methodology for Determining Executive Salaries	13
Retention of Current Benefits	14
Retention of Current Deferred Compensation Plan	14
Summary of Appointed Official Recommendations	14
Report on Judicial Compensation in Utah	17
Introduction	17
Criteria for Judicial Salary Recommendations	17
Judicial Council Report	17
Benchmark Salary -District Court Judge; Others set at a Percentage Relationship	17

Quantity and Quality of Applicants is Decreasing	17
Recommendation History for Judicial Positions	18
Recommend District Court Judge FY 2008 Salary Set at \$127,000	18
Cost of the Recommendation \$1.7 million	19
Appendix I: Western and Midwestern States Salary Survey	21
Appendix II: Rocky Mountain States Salary Survey	23

Letter of Transmittal to the Utah Legislature

Transmitted herewith is the 2006 report of the Executive and Judicial Compensation Commission. In compliance with Utah Annotated Code §67-8-5, this report contains the Commission's FY 2008 salary recommendations for the State's elected officials, appointed agency and department heads, and the judiciary.

This report proposes a new approach for determining appointed agency and department head salaries and reiterates last year's proposed methodology for adjustments to the salaries of elected officials. It also includes a plan for increasing judicial salaries.

To fulfill the requirements of its statutory charge, the Commission bases its recommendations for elected officials and appointed executives in part on a salary survey of surrounding states and an assessment of the duties and responsibilities of these officials. The Commission recognizes the need to review compensation levels of the State's executives on a regular basis in order to reward them fairly for the level of responsibility and authority they manage and to keep salaries relatively comparable to similar positions in Utah and surrounding states.

Since its inception, the Executive and Judicial Compensation Commission has recognized the problems inherent in achieving adequate and equitable salaries for public executives. At the federal, state, and local government levels, salaries of executive positions have generally lagged behind executive levels in private industry. This has been particularly true in the case of elected officials. The Commission is aware that in the eyes of the public, a certain amount of prestige and honor is associated with the holding of an elected office. Accordingly, this characteristic of public office is usually considered to be part of the "compensation" for such office. At the same time, it should be obvious that if the State expects capable persons to run for public office, their compensation should be commensurate with the duties and responsibilities entrusted to them. For this reason, the Commission has consistently advocated a compensation policy based on objective and equitable treatment for both elected and appointed officials.

In the opinion of the Commission, the Utah Legislature has provided funds to support an executive pay plan allowing salaries for appointed officials which are fairly competitive with (although not comparable to) private industry, as well as with states similar to Utah. Also, the Legislature has made an effort to increase elected officials' salaries, again keeping them fairly comparable with surrounding states. However, under current law, the provisions allowing periodic salary increases for appointed executives do not apply to elected officials. Therefore, unless the Legislature follows a consistent policy of reviewing and upgrading salaries for elected officials, the salary levels for these officials will fall further and further behind those of appointed officials and others holding similar positions.

Prior to making its recommendations for the judiciary, the Commission consulted, as required by law, with the Judicial Council. The Judicial Council commissioned the Citizen Committee on Judicial Compensation to complete a study of judicial compensation and related issues and submitted this report to the Commission. Both the Commission and the Council believe that the judiciary faces a continuing problem in its ability to attract and retain qualified individuals to the bench. The Commission recognizes that competitive salaries are an essential element of any plan to solve this problem and urges the Legislature to give consideration to the recommendations made in this report. The Commission notes that the number of applicants for

judicial vacancies and the level of experience of the applicants are trending downward in recent years. The Commission believes that these phenomena suggest that the gap between judicial salaries and more experienced attorneys in the state is widening. This trend should be monitored closely in the future.

The Commission feels that it has a responsibility to make recommendations to the Legislature based on the factors specified by the law so that all executive and judicial officers, elected or appointed, receive equitable and consistent treatment in compensation matters. Based on this responsibility and role, the Commission feels very strongly that the Legislature should be furnished with objective and current information. Accordingly, we submit this report and recommendations.

We appreciate the opportunity to serve the citizens of the State and the Legislature.

Sincerely yours,

THE EXECUTIVE AND JUDICIAL COMPENSATION COMMISSION

John T. Nielsen, Chair
Roger Tew, Vice-Chair
Brian R. Allen
David Jones
Carol Nixon
George Richards

Executive Summary

Commission Responsibility

The Executive and Judicial Compensation Commission, as an independent commission created by the Legislature in 1969, is responsible for recommending a comprehensive compensation plan for the State's elected and appointed executives and the judiciary. The Commission recommends specific salaries for elected officials and judges and salary ranges for appointed directors and commissioners of state agencies.

Salary Recommendations for Elected Officials; Proposal for New Methodology

The Commission recommends that the Governor's salary should first be established and the salaries of the remaining elected officials should thereafter be set in accordance with a fixed percentage of the Governor's salary. For FY 2008, the Commission recommends that the Legislature increase the Governor's salary by an amount at least equal to the percent increase it approves for State employee salaries.

The Commission recommends that the salaries of the Lieutenant Governor, Attorney General, State Auditor, and State Treasurer be set at 95 percent of the Governor's salary. Since the Legislature has already moved the salaries of the Lieutenant Governor and Attorney General to this level, enacting this recommendation would require, based on the Governor's FY 2007 salary, increasing the State Auditor's salary about 18 percent and the State Treasurer's salary about 22 percent for FY 2008.

The cost of these recommendations for FY 2008 is estimated at \$41,000. The Commission recommends no change in employee benefits for elected officials.

Range Recommendations for Appointed Officials

The Commission proposes a new structure for the appointed officials covered in Utah Annotated Code §67-22-2. The Commission recommends that the Legislature collapse the four current executive salary ranges into one broadband salary range equal to 105 percent and 120 percent of the highest salary range beneath the executives. This methodology allows for executives to be paid within a range higher than deputy and division directors within their department. The proposed structure also provides an opportunity for executives to receive annual cost-of-living and market comparability adjustments that are commensurate with the adjustments of all other State employees.

This recommendation does not intrinsically increase any incumbent's salary, but provides the Governor, who sets the salaries within the designated range, with the flexibility to adjust specific salaries. The cost of implementation, therefore, will depend on the Governor's actions.

**Salary
Recommendations
for Judicial
Positions**

The Commission recommends that the salary for District Court Judge be increased by eleven percent for FY 2008 and then by 7 percent in the two following years. This recommendation entails an increase from \$114,400 to \$127,000 in the salary for District Court Judge for FY 2008. Other judges' salaries would be adjusted according to their percentage relationship to the District Court level as provided by law. The cost of this increase is estimated at approximately \$1.7 million.

**2006 REPORT OF THE
EXECUTIVE AND JUDICIAL COMPENSATION COMMISSION
TO THE 2007 LEGISLATURE**

**Commission was
Created in 1969**

An executive compensation commission was originally created in 1969 by the Legislature as an independent commission to develop a comprehensive salary classification plan for the elected and appointed officials of the State. The legislative purpose was to develop a unified, orderly approach in determining compensation for State officers based on recognized standards. Such a system was deemed necessary in order to attract capable, responsible persons to serve in executive and judicial positions. The Commission makes its recommendations regarding the classification and compensation of these state officers directly to the Legislature. Recommendations on appointed executives are also made to the Director of the Department of Human Resource Management, who in turn reports to the Governor.

**Six Member
Commission**

Under the terms of the Executive and Judicial Salary Act (Utah Annotated Code §67-8-1), the Commission is composed of six members. One member is appointed by the Governor, one by the President of the Senate, and one by the Speaker of the House. These three then choose two other members. Under legislation adopted in 1988, the State Bar Commission appoints a sixth member. Originally, this member participated only in studies and recommendations on judicial compensation. Under amendments approved by the 1991 Legislature, this member now participates in all of the activities and recommendations of the Commission. Not more than three members may be from the same political party. The Commission elects its own chairperson and vice chairperson from opposite political parties.

John T. Nielsen, Chair

Appointed by the State Bar Commission, term expires March 31, 2008

George Richards, Vice-Chair

Appointed by President Al Mansell, term expires March 31, 2007

Brian R. Allen

Appointed by Speaker Martin Stephens, term expires March 31, 2007

David Jones

Appointed by the Commission, term expires March 31, 2009

Carol Nixon

Appointed by Governor Michael Leavitt, term expires March 31, 2007

Roger Tew

Appointed by the Commission, term expires March 31, 2009

The statute provides that administrative, budgeting, procurement, and related management functions for the Commission will be provided by the Legislative Fiscal Analyst who also serves as the ex-officio, non-voting secretary of the Commission.

Commission Activities in 2006

Role of the Commission

Since its inception in 1969, the Executive and Judicial Compensation Commission, as an independent commission, has had the basic responsibility to recommend a comprehensive compensation plan for the State's elected and appointed executives. There have been some changes over the years in the definition and number of the positions to be reviewed by the Commission, the reporting channels to the Legislature, and the membership composition of the Commission. The most recent changes in the role and responsibility of the Commission were enacted by the 1991 Legislature.

The 1991 legislation (House Bill 49, State Officer Amendments), in response to some questions about the definition of the term "state officer," clearly defined those positions in State government that would be designated as "state officers" for compensation purposes. The positions now so designated, and for which the Commission makes salary recommendations, are:

“(a) the governor, the lieutenant governor, the attorney general, the state auditor, and the state treasurer;

(b) justices of the Supreme Court and judges of all constitutional and statutory courts of record; and

(c) full-time commissioners and executive directors of executive branch departments appointed by the governor or with his approval, who report directly to the governor and who enumerated in UCA, Section 67-22-2." (Utah Annotated Code §67-8-5(2))

Commission Recommends Salaries for Elected Officials and Judges, Ranges for Appointed Officials

Under this authority, the Commission now recommends to the Legislature specific salaries for the elected officials and the judiciary and salary ranges for the appointed directors and commissioners of State agencies.

The Legislature then sets specific annual salaries and employee benefits for elected officers in statute, a single rate of pay for judges that is set in the annual appropriations act, and salary ranges, consisting of minimum and maximum rates of pay, for appointed officials, also set in statute.

The Governor then has the authority to set the specific annual salary of appointed officials and to grant salary increases based on performance within the ranges approved by the Legislature.

Commission Reports to Executive Appropriations Committee

The Commission is required by statute to report its recommendations to the Legislature through the Executive Appropriations Committee. The Commission also makes its recommendations on appointed officers' compensation available to the Executive Director of the Department of Human Resource Management. This department is then responsible to

make recommendations to the governor on a compensation plan for these appointed officials. The governor usually makes his recommendations, both on elected and appointed official compensation, to the Legislature in his budget message at the beginning of each annual Legislative session.

**Commission Consults
with the Judicial
Council on Judges’
Salaries**

The legislation establishing the Executive and Judicial Compensation Commission requires that the Commission consult with the Judicial Council and give due consideration to the career status of judges in developing its recommendations for judicial salaries. The law was amended in 1988 to also require comparisons with salaries paid in other states and comparable public and private employment within Utah.

In accordance with this provision, Executive and Judicial Compensation Commission reviewed the Citizen’s Committee on Judicial Compensation’s report, commissioned by the Judicial Council. The Commission’s recommendations, based on this review, are contained in the Judicial Salary section of this report.

**Salary Survey
Conducted Annually**

A salary survey of executive and judicial positions from 19 western and midwestern states conducted by the Utah Legislative Fiscal Analyst for the Western States Legislative Fiscal Officers Association was used by the Commission in developing its recommendations. The results of this survey, as of September 1, 2006, are summarized in Appendix I. Since the Commission is also concerned about salaries paid for comparable positions in the surrounding Rocky Mountain States, the salary survey results from these states are summarized separately in Appendix II.

Since it is very difficult to find executive positions in the private sector that equate with executive positions in state government, the Commission has not conducted a salary survey of private industry.

Recommendations for Elected Officials

Elected Officials, Salaries, and “Emoluments”

The Commission is primarily responsible to "recommend to the Legislature salaries for the governor, the lieutenant governor, the attorney general, the state auditor and the state treasurer" (UCA §67-8-5(1)(a)(I), underlining supplied). However, the laws authorizing the Commission also require the Commission to submit a report each year in which specific recommendations are made "concerning adjustments, if any, that should be made in the salary or other emoluments of office so that all executive and judicial officers, elected or appointed, receive equitable and consistent treatment regardless of whether salaries are fixed by the Legislature or by the Department of Human Resource Management" (UCA §67-8-3(3)(c)(iii), underlining supplied).

Based on this requirement, the Commission has, in the past, evaluated salary survey data and other information to determine if Utah's elected officials have employee benefits and "other emoluments" of office that are comparable to those provided in other states and to appointed executives within State government. These surveys and other studies have indicated that, in general, this requirement is met. For instance, Utah's elected officials are entitled to the same health and dental insurance, life insurance, long-term disability, and workers' compensation benefits that are provided to appointed executives. In the area of retirement benefits, the elected officials (with the exception of the Governor) are entitled to participate in either the State retirement system or in a deferred compensation plan administered by the State Retirement Office. The contribution rates for these plans are the same as those offered to appointed officials. In the case of the Governor, a specific retirement plan is authorized by the Legislature that allows, at age 65, a lifetime pension of \$500 per month if the governor has served one term, or \$1,000 per month if the Governor has served two or more terms.

In terms of "emoluments" other than the normal employee fringe benefits, the Governor is provided a vehicle for official and personal use, housing, household and security staff and household expenses. This is similar to most other states where generally an automobile and housing (mansion) is provided to the Governor. The Commission has not attempted to place a dollar value on these types of emoluments as a comparison to those provided for Utah's Governor.

The survey conducted for the Commission indicates that five western states (California, Colorado, New Mexico, Oregon, and Utah) report personal expense or contingent accounts for their Governors. In Utah, the Governor currently has a \$25,000 entertainment and contingent expense account.

Based on the salary and benefits surveys and a review of the duties and

responsibilities, plus a comparison to other executive positions in Utah, the Commission makes the following recommendations regarding the salaries and benefits for Utah's elected officials.

**Proposed New
Methodology to
Determine Salary
Levels**

The Commission analyzed adopting the tiered approach to setting salaries in the judiciary (where one main salary level is set and the rest are determined by formula from that level) for elected officials. The Legislature has already partially implemented this methodology for elected officials; they set the Attorney General's salary at 95 percent of the Governor's salary during the 2005 General Session and the Lieutenant Governor's salary at the same level during the 2006 General Session. The Commission recommends the full implementation of this methodology, where the Governor's salary is first established, then using that figure as a base, the other four elected officials' salaries are determined as a percent of this base. The Commission recommends that, like the Attorney General and the Lieutenant Governor, the salaries of the State Auditor and State Treasurer be set at 95 percent of the Governor's salary.

**Recommendations in
Light of Current
Economic Climate**

Except for the Lieutenant Governor, whose salary was increased to 95 percent of the Governor's salary (a 22 percent increase), the Legislature did not increase the salaries of elected officials for FY 2007. This action follows a 2.5 percent elected official salary increase for FY 2006, and a 1 percent increase for FY 2005. The Commission realizes that resources are limited and understands the difficulty and the reality in the Legislature's decisions. The Commission also realizes that its recommendations should reflect the true needs and merits of the positions it considers and, therefore, feels its recommendations are justified.

Governor's Salary	<p>The Commission recommends that the Legislature increase the Governor's salary for FY 2008 by an amount at least equal to the percent increase it approves for State employee salaries.</p> <p>The cost of implementing this recommendation will depend on the FY 2008 State employee compensation package approved by the Legislature.</p>
Lieutenant Governor's Salary Recommended at Current Level	The Commission recommends maintaining the Lieutenant Governor's salary at 95 percent of the Governor's salary.
Attorney General's Salary Recommended at Current Level	The Commission recommends maintaining the Attorney General's salary at 95 percent of the Governor's salary.
State Auditor's Salary Recommended at 95 Percent of the Governor's Salary	<p>The State Auditor supervises a staff of 40 auditors and 4 support personnel and is responsible for auditing the expenditure of public funds by all state agencies and institutions of higher education. This includes cooperation with the federal government in conducting a "single state audit" that includes the expenditure of millions of dollars in federal funds. The current salary for this position in Utah is 16.28 percent below the Rocky Mountain survey average, and 18.18 percent below the Western/Midwestern survey average.</p> <p>A survey of current salaries within the Office of the State Auditor indicates that 8 auditors serving under the State Auditor's supervision are compensated at a higher salary level than the State Auditor, ranging from a low difference of \$2,000 to a high difference of \$4,000 annually.</p> <p>In light of the duties and responsibilities of this position and salaries paid in surrounding states, the Commission recommends that the Legislature increase the State Auditor's salary to 95 percent of the Governor's current base salary. The Commission recommends continuation of the current benefit structure. For FY 2008, the cost of implementing this recommendation is approximately \$18,000.¹</p>
State Treasurer's Salary Recommended at 95 Percent of the Governor's Salary	<p>The State Treasurer in Utah is responsible for the safe keeping, management, and investment of an average daily balance of approximately \$2 billion in public funds. In relationship to surrounding states, the Treasurer's current salary is 1.93 percent below the Rocky Mountain survey average, and 18.18 percent below the Western/Midwestern average.</p> <p>In light of the duties and responsibilities of this position and salaries</p>

¹ Actual dollar figures and percent increases for the State Auditor and State Treasurer positions are based on the Governor's current salary of \$104,100.

paid in surrounding states, the Commission recommends that the Legislature increase the State Treasurer's salary to 95 percent of the Governor's current base salary. The Commission recommends continuation of the current benefit structure. For FY 2008, the cost of implementing this recommendation is approximately \$23,000.

**Summary of Elected
Official
Recommendations**

The following table summarizes the Commission's recommendations for elected officials for FY 2008, based upon the 95 percent of the Governor's current salary level:

FY 2008 Recommended Salaries for Elected Officials			
Position	Current Salary	Recommended Salary*	Percent Increase
Lt. Governor	98,900	98,900	0.00%
Attorney General	98,900	98,900	0.00%
State Auditor	83,500	98,900	18.4%
State Treasurer	81,000	98,900	22.1%

*The Commission recommends that the salaries of the four elected officials be set at 95 percent of the governor's salary; these amounts are based on the Governor's FY 2007 salary.

**No change in benefits
recommended**

The Commission recommends that the current benefits approved by the Legislature for elected officials be continued in FY 2008. The Commission also recommends that the Governor's contingency account be continued at the \$25,000 level for FY 2008.

**Cost of
Recommendation
\$41,000**

The increased cost of the recommendations for elected officials, including benefits, is estimated at \$41,000 for FY 2008.

**Recommendation
History for Elected
Officials**

The tables on the following pages indicate the Commission's recommendations and the salary history of each elected position.

Governor
Current Salary
 \$104,100

Salary History

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1972	30,000	38,844	33,000	7/01/73
1974	33,000	45,000	35,000	7/01/75
1976	35,000	40,000	40,000	5/10/77
1978	40,000	40,000	40,000	
1979	40,000	50,000	48,000	1/01/81
1980	48,000	50,000	48,000	
1981	48,000	52,000	52,000	7/01/82
1982	52,000	55,000	52,000	7/01/83
1983	52,000	57,000	55,000	7/01/84
1984	55,000	60,000	60,000	7/01/85
1985	60,000	62,500	60,000	7/01/86
1986	60,000	65,000	60,000	7/01/87
1987	60,000	66,000	60,000	7/01/88
1988	60,000	66,000	70,000	7/01/89
1989	70,000	75,400	72,800	7/01/90
1990	72,800	75,700	72,800	7/01/91
1991	72,800	90,000	75,000	7/01/92
1992	75,000	77,250	77,250	7/01/93
1993	77,250	79,550	79,600	7/01/94
1994	79,600	82,000	82,000	7/01/95
1995	82,000	90,000	85,200	7/01/96
1996	85,200	91,600	87,600	7/01/97
1997	87,600	94,200	90,700	7/01/98
1998	90,700	94,300	93,000	7/01/99
1999	93,000	98,000	96,700	7/01/00
2000	96,700	100,600	100,600	7/01/01
2001	100,600	103,600	100,600	7/01/02
2002	100,600	104,600	100,600	7/01/03
2003	100,600	104,600	101,600	7/01/04
2004	101,600	106,200	104,100	7/01/05
2005	104,100	NR	104,100	

Note: NR = No Recommendation.

Lieutenant Governor

Current Salary

95% of Governor's Salary: \$98,900

Salary History

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1972	19,000	17,760	20,000	7/01/73
1974	20,000	25,000	22,000	7/01/75
1976	22,000	23,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	35,500	35,500	7/01/83
1983	35,500	37,000*	45,000	7/01/84
		52,000**	45,000	
1984	45,000	50,000	50,000	7/01/85
1985	50,000	52,000	50,000	7/01/86
1986	50,000	52,500	50,000	7/01/87
1987	50,000	52,500	50,000	7/01/88
1988	50,000	52,500	52,500	7/01/89
1989	52,500	55,000	54,600	7/01/90
1990	54,600	56,800	54,600	7/01/91
1991	54,600	70,000	56,200	7/01/92
1992	56,200	60,000	60,000	7/01/93
1993	60,000	61,800	61,800	7/01/94
1994	61,800	63,700	63,700	7/01/95
1995	63,700	66,900	66,200	7/01/96
1996	66,200	69,500	68,100	7/01/97
1997	68,100	70,100	70,500	7/01/98
1998	70,500	73,300	72,300	7/01/99
1999	72,300	73,500	75,200	7/01/00
2000	75,200	77,500	78,200	7/01/01
2001	78,200	79,800	78,200	7/01/02
2002	78,200	80,500	78,200	7/01/03
2003	78,200	80,500	79,000	7/01/04
2004	79,000	81,800	81,000	7/01/05
2005	81,000	88,500	98,900	7/01/06

*Recommended effective 7/01/84

**Recommended effective 1/01/84

Attorney General

Current Salary

95% of Governor's Salary: \$98,900

Salary History

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1972	22,000	24,840	23,000	7/01/73
1974	23,000	33,500	25,000	7/01/75
1976	25,000	30,000	30,000	5/10/77
1978	30,000	37,000	30,000	
1979	30,000	38,000	36,500	1/01/81
1980	36,500	42,500	36,500	
1981	36,500	42,500	41,000	7/01/82
1982	41,000	44,000	41,000	7/01/83
1983	41,000	45,000	43,500	7/01/84
1984	43,500	49,000	49,000	7/01/85
1985	49,000	51,500	49,000	7/01/86
1986	49,000	52,000	49,000	7/01/87
1987	49,000	54,000	54,000	7/01/88
1988	54,000	56,000	56,000	7/01/89
1989	56,000	58,700	58,300	7/01/90
1990	58,300	65,000	58,300	7/01/91
1991	58,300	75,000	60,000	7/01/92
1992	60,000	80,000	65,000	7/01/93
1993	65,000	75,000	67,000	7/01/94
1994	67,000	75,000	69,000	7/01/95
1995	69,000	75,700	71,700	7/01/96
1996	71,700	77,100	73,700	7/01/97
1997	73,700	79,200	76,300	7/01/98
1998	76,300	82,000	78,200	7/01/99
1999	78,200	88,200	81,300	7/01/00
2000	81,300	90,500	84,600	7/01/01
2001	84,600	93,200	84,600	7/01/02
2002	84,600	94,100	84,600	7/01/03
2003	84,600	94,100	85,400	7/01/04
2004	85,400	95,600	98,900	7/01/05
2005	98,900	NR	98,900	

Note: NR = No Recommendation.

State Auditor**Current Salary**

\$83,500

Recommended Salary

95% of Governor's Salary: \$98,900

Salary History

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1972	17,000	17,760	19,000	7/01/73
1974	19,000	28,000	21,000	7/01/75
1976	21,000	23,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	41,000	35,500	7/01/83
1983	35,500	42,000	37,500	7/01/84
1984	37,500	47,000	45,000	7/01/85
1985	45,000	47,000	45,000	7/01/86
1986	45,000	47,500	45,000	7/01/87
1987	45,000	51,000	51,000	7/01/88
1988	51,000	53,000	53,000	7/01/89
1989	53,000	58,000	55,200	7/01/90
1990	55,200	57,400	55,200	7/01/91
1991	55,200	67,500	56,900	7/01/92
1992	56,900	67,500	62,000	7/01/93
1993	62,000	67,500	63,900	7/01/94
1994	63,900	70,000	65,800	7/01/95
1995	65,800	72,200	68,400	7/01/96
1996	68,400	73,500	70,300	7/01/97
1997	70,300	73,800	72,800	7/01/98
1998	72,800	78,300	74,600	7/01/99
1999	74,600	78,400	77,600	7/01/00
2000	77,600	80,500	80,700	7/01/01
2001	80,700	82,900	80,700	7/01/02
2002	80,700	83,700	80,700	7/01/03
2003	80,700	83,700	81,500	7/01/04
2004	81,500	85,000	83,500	7/01/05
2005	83,500	88,500	83,500	

State Treasurer

Current Salary

\$81,000

Recommended Salary

95% of Governor's Salary: \$98,900

Salary History

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1972	17,000	17,760	19,000	7/01/73
1974	19,000	27,000	21,000	7/01/75
1976	21,000	24,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	37,500	35,500	7/01/83
1983	35,500	38,500	37,500	7/01/84
1984	37,500	42,000	45,000	7/01/85
1985	45,000	45,000	45,000	7/01/86
1986	45,000	47,500	45,000	7/01/87
1987	45,000	51,000	51,000	7/01/88
1988	51,000	53,000	53,000	7/01/89
1989	53,000	55,500	55,200	7/01/90
1990	55,200	57,400	55,200	7/01/91
1991	55,200	65,000	56,900	7/01/92
1992	56,900	65,000	60,000	7/01/93
1993	60,000	65,000	61,800	7/01/94
1994	61,800	65,000	63,700	7/01/95
1995	63,700	66,900	66,200	7/01/96
1996	66,200	69,500	68,100	7/01/97
1997	68,100	70,100	70,500	7/01/98
1998	70,500	75,700	72,300	7/01/99
1999	72,300	73,500	75,200	7/01/00
2000	75,200	77,500	78,200	7/01/01
2001	78,200	79,800	78,200	7/01/02
2002	78,200	80,500	78,200	7/01/03
2003	78,200	83,700	79,000	7/01/04
2004	79,000	78,200	81,000	7/01/05
2005	81,000	88,500	81,000	

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Recommendations for Appointed Officials

Recommendations for Appointed Officials Submitted to Legislature and Human Resource Management

The Utah Executive and Judicial Salary Act provides that the Director of Human Resources Management will, based on the recommendations of the Executive and Judicial Compensation Commission, recommend a compensation plan for appointed officers of the State to the Governor. The plan is to include salaries and wages, paid leave, group insurance plans, retirement programs, and any other benefits that may be offered to state officers. The Governor is then required to include specific recommendations on compensation for appointed officers in his annual budget proposal to the Legislature. A compensation plan is then approved by the Legislature by statute. The act further provides that the Commission will make "recommendations concerning revisions, modifications, or changes, if any, which should be made in the plan, its administration, or in the classification of any officer under the plan" (UCA §67-8-5 3 (c)(ii)). In compliance with this legislative directive, the following recommendations are made regarding the compensation plan for appointed officials in Utah State government. The recommendations in this section of the Commission's report are also being submitted to the Director of Human Resources Management in connection with his responsibility to make recommendations to the Governor.

Five Level Executive Compensation Plan Adopted in 1990

The State's appointed executives generally serve at the pleasure of the Governor and thus do not have the career status of those lower level officials appointed under the State's merit system. The demands of their positions in executing public policy and administering large and complex agencies and programs, often in a short-term situation, require executives with high management skills and capabilities. An adequate and competitive compensation plan is essential to attract and retain such individuals in state service.

Prior to FY 1991, the compensation plan for appointed officials consisted of a grade rating for each position that was tied to one of the salary grades of the State's classified pay plan. The Commission, in its report to the 1990 Legislature, recommended the adoption of an executive pay plan that consisted of five levels. The midpoints of the levels were derived from the average salaries of the executive positions surveyed by the Commission in the surrounding Rocky Mountain States and the salary range was 35 percent. The 1990 Legislature adopted the new plan recommended by the Commission. Over the past several years, the executive pay plan has been condensed into four salary ranges.

Proposal of New Methodology for Determining Executive Salaries

The Commission has reviewed the movement in the average salaries since the plan was first established and has also reviewed the effect of state and national cost-of-living figures. The Commission also examined the problem of "compression" at upper management levels.

The salaries of many positions just below these appointed officials, for example deputy directors, are approaching or surpassing those of the directors. This problem has become more acute over the past few years.

Based on these factors, the Commission proposes a new structure for the appointed officials covered in Utah Annotated Code §67-22-2. The Commission recommends that the Legislature collapse the four current executive salary ranges into one broadband salary range equal to 105 percent and 120 percent of the highest salary range beneath the executives. This methodology allows for executives to be paid within a range higher than deputy and division directors within their department. The proposed structure also provides an opportunity for executives to receive annual cost-of-living and market comparability adjustments that are commensurate with the adjustments of all other State employees. The Commission notes that, in some cases, there is a justifiable basis for positions below appointed officials to have a higher salary range than the executive range, for example a position requiring a medical doctorate degree. The salary ranges of such positions should not be included when calculating the appointed official salary range.

**Cost of Salary
Recommendation
Dependent on the
Action of the Governor**

This recommendation does not intrinsically increase any incumbent's salary, but provides the Governor, who sets the salaries within the designated range, with the flexibility to adjust specific salaries. The cost of implementation, therefore, will depend on the Governor's actions.

**Retention of Current
Benefits**

As part of its review responsibility, the Commission considers the employee benefits available to appointed officials. The Commission recommends that the current list of benefits contained in the State Officer Compensation Act continue to be approved for appointed officials. The level of these benefits (rate increases for health insurance, dental insurance, etcetera) should be adjusted by any increase approved by the Legislature for the State's classified employees.

**Retention of Current
Deferred
Compensation Plan**

It is noted that the Commission recommended in its 1984 report that the Legislature permit department and agency directors and commissioners to choose to be exempt from the current state retirement system and allow them to participate in a more portable "defined contribution" plan designed for these executive-level positions. The Legislature responded to this recommendation with the passage of a bill which allows such a plan. The State Retirement Board has developed deferred compensation plans under this authority with full vesting of the contributions made by the State for the executive.

**Summary of
Appointed Official
Recommendations**

The following table summarizes the Commission's recommendations for appointed officials for FY 2008

FY 2008 Recommended Salary Range for Appointed Officials		
Level and Positions	FY 2007 Range	FY 2008 Recommended Range*
Level E3	\$66,800-\$90,600	\$60,500-\$178,600
Commissioner of Agriculture and Food		
Commissioner of Insurance		
Commissioner of the Labor Commission		
Director, Alcoholic Beverage Control Commission		
Commissioner, Department of Financial Institutions		
Members, Board of Pardons and Parole		
Executive Director, Department of Commerce		
Executive Director, Commission of Criminal and Juvenile Justice		
Adjutant General		
Level E4	\$72,400-\$97,600	\$60,500-\$178,600
Chair, Tax Commission		
Commissioners, Tax Commission		
Executive Director, Department of Community and Culture		
Executive Director, Tax Commission		
Chair, Public Service Commission		
Commissioners, Public Service Commission		
Level E5	\$78,700-\$106,200	\$60,500-\$178,600
Executive Director, Department of Corrections		
Commissioner, Public Safety Commission		
Executive Director, Department of Natural Resources		
Director, Governor's Office of Planning and Budget		
Executive Director, Department of Administrative Services		
Executive Director, Department of Human Resource Management		
Executive Director, Department of Environmental Quality		
Director, Governor's Office of Economic Development		
Level E6	\$85,700 - \$115,700	\$60,500-\$178,600
Executive Director, Department of Workforce Services		
Executive Director, Department of Health		
Executive Director, Department of Human Services		
Executive Director, Department of Transportation		
Executive Director, Department of Information Technology Services		
*The Commission consulted with DHRM to determine the recommended salary range based on the proposed methodology. The \$60,500-\$178,600 annual range represents an hourly range of \$28.96-\$85.54.		

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Report on Judicial Compensation in Utah

Introduction	The duties of the Commission include the responsibility to recommend to the Legislature salaries for "justices of the Supreme Court and judges of the constitutional and statutory courts of record" (UCA §67-8-5(1)(a)(ii)).
Criteria for Judicial Salary Recommendations	<p>The Legislature, in prescribing this duty, specified the factors that are to be considered as a base for the Commission's recommendation. These factors include:</p> <ul style="list-style-type: none">➤ Consultation with the Judicial Council,➤ Consideration for the career status of judges,➤ Comparisons with salaries paid in other states, and➤ Comparisons with comparable public and private employment with the state (UCA §67-8-5 (4)(a)).
Judicial Council Report	<p>In connection with its responsibility for consultation with the Judicial Council, the Commission annually receives and reviews the report of the Citizens Committee on Judicial Compensation, commissioned by the Judicial Council.</p> <p>The Commission met with the Judicial Council and the Citizens Committee on Judicial Compensation on October 26, 2006 to review the report.</p>
Benchmark Salary - District Court Judge; Others set at a Percentage Relationship	The salary for the District Court judge position is set by the Legislature as the benchmark for salary comparison purposes and the key salary to which other judicial positions are related. Under current statute (UCA §67-8-2), the salaries for Supreme Court Justices are set at 110 percent of the District Court level and Appeals Court judges' salaries are set at 105 percent of the District Court level. Juvenile Court judges' salaries are set at the same level as District Court judges.
Quantity and Quality of Applicants is Decreasing	In its past reports on salary recommendations, the Executive and Judicial Compensation Commission has outlined the serious problem of the recruitment of qualified individuals for judicial vacancies, including the concern about the level of judicial compensation that helps attract and retain the best qualified individuals for judicial vacancies. The Citizen Committee on Judicial Compensation reports that, based on past retirement trends, 44 percent of current judges will retire in the next 5 years, with 22 percent eligible to retire immediately.

From the late 90's through 2002, the salary increases approved for the judiciary enabled the State to attract and retain an increasing level of qualified applicants for the court system. However, since then, the salary issue has resulted in younger applicants, as well as applicants with lower peer ratings. Also, the average number of applicants per recruitment has been trending downward.

**Recommendation
History for Judicial
Positions**

The history of Commission recommended salaries and legislative action in recent years is shown in the following table.

History of Proposed Salary Increases and Legislative Action			
Year	Commission Recommended District Court Salary	Actual Legislative Action	Percent Increase
FY 1992	80,000	73,000	4.0
FY 1993	88,000	80,000	9.6
FY 1994	88,000	81,200	1.5
FY 1995	88,000	83,650	3.0
FY 1996	88,000	86,200	3.0
FY 1997	89,648	89,550	3.9
FY 1998	93,132	90,450	1.0*
FY 1999	93,150	93,600	3.5
FY 2000	93,600	95,900	2.5
FY 2001	99,700	99,700	4.0
FY 2002	103,700	103,700	4.0
FY 2003	106,800	103,700	0.0
FY 2004	107,850	103,700	0.0
FY 2005	107,850	104,750	1.0
FY 2006	112,100	111,050	6.0
FY 2007	118,800**	114,400	3.0

*Retirement benefits increased by an amount approximately equal to 2 percent salary, making a total compensation increase of 3 percent for FY 1998.

**The Commission recommended increasing salaries by 7 percent each year in FY 2007, FY 2008, and FY 2009.

**Recommend District
Court Judge FY 2008
Salary Set at
\$127,000**

Based on comparative salaries, both locally and nationally, the Commission recommends that the salary for District Court judge position be increased by 11 percent for FY 2008 and by 7 percent in each of the following two years. This recommendation entails increasing the District Court judge salary from \$114,400 to \$127,000 in FY 2008. Other judges' salaries would be adjusted according to their

percentage relationship to the District Court level as provided by law.

**Cost of the
Recommendation
\$1.7 million**

The cost of this recommendation is estimated at \$1.7 million; details and the effect on the other judges in the court system are outlined in the following table.

Cost of Proposed Judicial Salary Increases				
	FY 2007 Salary	FY 2008 Proposed Salary*	Number Positions	Total Increase
Supreme Court Justice	\$125,800	\$139,700	5	\$69,250
Appellate Court Judge	121,100	133,350	7	92,750
District Court Judge	114,400	127,000	71	894,600
Juvenile Court Judge	114,400	127,000	27	340,200
Court Administrator	114,400	127,700	1	12,600
		Salary Increase		1,409,400
		Benefit Cost Increase		280,341
		TOTAL COST		\$1,689,741

Note: This table was revised December 4, 2006.

*Based on 11% increase to the District Court judge salary.

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Appendix I: Western and Midwestern States Salary Survey

SALARY SURVEY WESTERN AND MIDWESTERN STATES 2006

Salaries as of September 1, 2006

<u>Positions</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Utah</u>	Percent Difference from Average
<u>Elected Officials</u>					
Governor	175,000	85,000	113,880	104,100	-8.59%
Lt. Governor*	131,250	60,000	89,448	98,895	10.56%
Secretary of State	131,250	65,000	85,412		
Attorney General	148,750	75,000	103,551	98,895	-4.50%
State Auditor	180,000	60,000	102,053	83,500	-18.18%
State Treasurer	140,000	60,000	88,607	81,000	-8.58%
<u>Appointed Officials</u>					
Adjutant General	177,333	86,399	116,759	90,598	-22.41%
Commissioner, Agriculture	140,424	75,576	101,451	90,598	-10.70%
Director, Dept. of Natural Resources	139,092	64,620	106,935	105,360	-1.47%
Director, Dept. of Environmental Quality	143,424	61,484	109,395	105,360	-3.69%
Director, Planning and Budget	145,896	91,599	116,795	106,196	-9.07%
Director, Dept. of Administrative Services	152,600	61,080	109,907	106,196	-3.38%
Director, Dept. of Human Resources	200,000	75,852	101,524	105,360	3.78%
Director, Alcoholic Beverage Control	123,255	48,715	89,147	90,598	1.63%
Director, Dept. of Commerce	151,721	77,628	113,966	90,598	-20.50%
Chairman, Industrial Commission	131,412	64,272	99,943	88,546	-11.40%
Director, Department of Workforce Services	140,391	78,408	109,386	115,278	5.39%
Commissioner, Insurance	163,800	65,501	103,618	90,598	-12.57%
Commissioner, Financial Institutions	136,191	73,790	98,073	104,609	6.66%
Chairman, Public Service Commission	124,463	50,000	96,006	97,219	1.26%
Chairman, Tax Commission	135,894	79,845	111,376	97,219	-12.71%
Director, Dept. of Community and Economic Development	142,800	96,461	117,066	97,593	-16.63%
Director, Dept. of Transportation	175,000	86,871	120,256	115,278	-4.14%
Commissioner, Public Safety	150,000	75,000	116,020	105,360	-9.19%
Director, Dept. of Corrections	165,000	78,768	116,428	105,360	-9.51%
Director, Dept. of Health	194,250	86,870	128,927	178,649	38.57%
Director, Dept. of Human Services	170,500	86,870	121,474	115,696	-4.76%
<u>Judiciary</u>					
Chief Justice, Supreme Court	192,897	102,461	132,715	127,850	-3.67%
Associate Justice, Supreme Court	183,946	100,880	129,831	125,850	-3.07%
District Court Judge	172,452	94,099	119,496	114,400	-4.26%
Juvenile Court Judge	158,600	95,800	118,854	114,400	-3.75%

States surveyed include: Alaska, Arizona, California, Colorado, Hawaii, Iowa, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Washington, and Wyoming (Idaho did not participate this year). Averages do not include Utah.

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Appendix II: Rocky Mountain States Salary Survey

SALARY SURVEY ROCKY MOUNTAIN STATES 2006 Salaries as of September 1, 2006

<u>Positions</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Utah</u>	Percent Difference from Average
<u>Elected Officials</u>					
Governor	117,000	90,000	102,636	104,100	1.43%
Lt. Governor	86,819	68,500	76,497	98,895	29.28%
Secretary of State	92,000	68,500	78,976		
Attorney General	110,000	80,000	94,518	98,895	4.63%
State Auditor	122,675	76,579	99,741	83,500	-16.28%
State Treasurer	92,000	68,500	79,464	81,000	1.93%
<u>Appointed Officials</u>					
Adjutant General	139,092	86,870	108,388	90,598	-16.41%
Commissioner, Agriculture	140,424	86,870	103,014	90,598	-12.05%
Director, Dept. of Natural Resources	139,092	86,196	109,026	105,360	-3.36%
Director, Dept. of Environmental Quality	127,600	86,870	111,304	105,360	-5.34%
Director, Planning and Budget	145,896	91,599	115,966	106,196	-8.43%
Director, Dept. of Administrative Services	152,600	86,870	117,739	106,196	-9.80%
Director, Dept. of Human Resources	104,800	76,389	92,979	105,360	13.32%
Director, Alcoholic Beverage Control	105,588	81,119	93,192	90,598	-2.78%
Director, Dept. of Commerce	151,721	86,870	123,771	90,598	-26.80%
Chairman, Industrial Commission	127,784	86,870	102,866	88,546	-13.92%
Director, Department of Workforce Services	140,391	91,137	115,030	115,278	0.22%
Commissioner, Insurance	110,323	89,009	102,450	90,598	-11.57%
Commissioner, Financial Institutions	105,588	73,790	93,832	104,609	11.49%
Chairman, Public Service Commission	116,688	78,269	94,830	97,219	2.52%
Chairman, Tax Commission	135,894	86,870	110,999	97,219	-12.41%
Director, Dept. of Community and Economic Development	137,035	96,461	121,516	97,593	-19.69%
Director, Dept. of Transportation	140,388	86,871	117,384	115,278	-1.79%
Commissioner, Public Safety	133,896	110,664	124,153	105,360	-15.14%
Director, Dept. of Corrections	143,400	88,173	115,406	105,360	-8.70%
Director, Dept. of Health	181,229	86,870	126,272	178,649	41.48%
Director, Dept. of Human Services	138,944	86,870	115,692	115,696	0.00%
<u>Judiciary</u>					
Chief Justice, Supreme Court	170,800	102,461	126,085	127,850	1.40%
Associate Justice, Supreme Court	170,800	100,880	124,603	125,850	1.00%
District Court Judge	158,600	94,099	116,402	114,400	-1.72%
Juvenile Court Judge	158,600	105,629	124,553	114,400	-8.15%

States surveyed include: Arizona, Colorado, Montana, Nevada, New Mexico, and Wyoming (Idaho did not participate this year). Averages do not include Utah.